



## GOVERNOR'S TASK FORCE ON HUMAN TRAFFICKING

### DRAFT MINUTES

Wednesday, September 11<sup>th</sup>, 2013

9:30 AM

1700 W. Washington, Governor's 2<sup>nd</sup> Floor Conference Room

Phoenix, Arizona 85007

A public meeting of the Governor's Task Force on Human Trafficking was convened on September 11<sup>th</sup>, 2013 in the 2<sup>nd</sup> Floor Conference Room, 1700 West Washington, Phoenix, Arizona 85007. Notice having been duly given. Present and absent were the following members of the Task Force.

#### Members Present

Cindy McCain (Co-Chairperson)  
Gil Orrantia (Co-Chairperson)  
Lea Benson  
Doug Coleman  
Adam Driggs  
Doug Ducey  
Jim Gallagher  
Larrie Fraley

Robert Halliday  
Bill Montgomery  
Andrew Pacheco  
Sheila Polk  
Bill Ridenour  
Brian Steele  
Grant Woods

#### Staff Present

Jamie Bennett, Governor's Office

#### 1. Call to Order

Gil Orrantia welcomed everyone to the Governor's Task Force on Human Trafficking meeting. The meeting was called to order at 9:31 a.m.

#### 2. Moment of Silence

Cindy McCain asked for a moment of silence in remembrance of those who lost their lives on September 11<sup>th</sup>, 2001, and also for the men and women currently serving in the United States Armed Forces.

#### 3. Approval of Minutes

Mr. Orrantia asked for a motion to approve the meeting minutes from the August 14th meeting. Bill Montgomery moved that the meeting minutes be approved. Robert Halliday seconded the motion. All present members voted aye.

#### **4. Presentation from Backpage.com**

Mrs. McCain introduced Liz McDougall, General Counsel for Backpage.com, LLC (Backpage). Mrs. McDougall thanked the Task Force for inviting her to speak. She explained that she was there to explain the role of technology in human trafficking in the United States. Mrs. McDougall stated that it is a very complex issue and that she had laid out specific points, along with supporting evidence, in the material that was submitted to the Task Force. She apologized for the length of the material, but encouraged members to read it.

Mrs. McDougall began her remarks by acknowledging that there is no debate about whether technology is being used to facilitate human trafficking within the United States. She said that although a lot of research has been conducted on the use of technology to facilitate human trafficking, a lot remains unknown and it will probably remain that way. She suggested that technology is constantly evolving and the perpetrators are keeping up with the evolution.

Mrs. McDougall also explained that technology is an industry, just like hospitality or trucking is an industry. She stated that numerous industries, like the technology, hospitality, and trucking industries, are involved in human trafficking. Mrs. McDougall suggested that the technology industry can work with law enforcement, non-governmental organizations (NGOs), and elected officials to fight human trafficking, just like the other industries can.

Mrs. McDougall stated that Backpage can help and is willing to help. She explained that her intent was to help the Task Force understand what technology can and cannot do. She indicated there are legal and practical limitations to what can be done with technology to address human trafficking. Mrs. McDougall offered to help by serving on a technology working group and offered to introduce members to objective third parties that can help the Task Force better understand the issue of technology and the role it has in human trafficking.

Mrs. McDougall indicated that Backpage is offering to collaborate with the Task Force and stated that they are already doing a lot to fight human trafficking. However, she acknowledged that there is more to do; that there is always more that can be done. She said that technology is constantly evolving, therefore collaboration is key. Backpage is willing to collaborate with the Task Force.

Mrs. McDougall said she acknowledged differences in opinions from members and past presenters. However, she indicated a willingness to collaborate with the Task Force. Mrs. McDougall explained that there are things that industries are not willing to do. For example, hotels do not require identification for everyone checking into a hotel. However, there are other things they can do. They are often willing to post hotline information, train staff, and report trafficking incidents. Mrs. McDougall indicated Backpage is no different and that Backpage would like to collaborate with the Task Force on what is practical and effective.

Mr. Montgomery thanked Mrs. McDougall for being at the Task Force meeting. He asked her whether she knew when the agreement between Craigslist and the attorneys general was signed. Mrs. McDougall indicated it was in 2008. Mr. Montgomery said his understanding was that was that even with the agreement Craigslist does not accept the same kinds of personal ads or adult services anymore. Mrs. McDougall explained that Craigslist eliminated an adult category from its website; however, they still accept adult context in a variety of other categories on their website.

Mr. Montgomery asked Mrs. McDougall whether she thought the agreement was effective or ineffective in reducing the use of Craigslist personal ads for human trafficking. Mrs. McDougall explained that she represented Craigslist shortly after the agreement was signed. She said that some of the suggestions that were made were more effective than others. Telephone verification ended up being far too easy to circumvent. They also filed a multitude of lawsuits and hundreds of cease and desist letters to what became a cottage industry in the sale of phone verified Craigslist accounts. What originally seemed like a good suggestion proved ineffective.

Mr. Montgomery asked what some of the suggestions were that were agreed upon that did work well. Mrs. McDougall spoke about the positive effects of charging to post ads and the use of financial trails for law enforcement. She indicated that the digital trail left by financial transactions is one of the most reliable. Law enforcement is able to use the information to help identify perpetrators.

Mr. Montgomery asked whether that is through the use credit cards, which Mrs. McDougall confirmed. Mr. Montgomery asked whether Backpage uses the same procedure. Mrs. McDougall confirmed that they do and also explained that Backpage charges one dollar in their dating category for the same reasons. They use the financial information to turn over to law enforcement when subpoenaed. Mr. Montgomery asked whether the data collected in those instances provide the same level of information as other charges. Mrs. McDougall confirmed that was the case.

Mr. Montgomery asked Mrs. McDougall to estimate how much Backpage makes annually from adult personal ads. Mrs. McDougall states that she was not able to answer that because she is not involved in the financial side of the company. However, she explained that Backpage makes enough to use expensive and extensive moderation in order to help law enforcement.

Mr. Montgomery asked Mrs. McDougall to confirm whether Backpage made an estimated \$22 million in 2012 from prostitution ads, which was cited from the AIM Group report. Mrs. McDougall indicated those numbers were incorrect; that the methodology they used to determine those numbers was incorrect. Mr. Montgomery asked her to estimate what the actual number is. Mrs. McDougall said she was not familiar enough with the financials to do that. She explained that the methodology of the report has been analyzed by outside experts and is highly criticized. Mr. Montgomery asked whether she had reviewed the information with internal Backpage financial analysts. Mrs. McDougall stated she had not.

Mrs. McDougall explained that her background and interest in protecting children and understanding cybercrime. She said her concern was not about the money. Rather, she is only interested in making sure Backpage has enough money to fight trafficking as effectively as possible and to give the data to law enforcement so they get the perpetrators. Mr. Montgomery suggested Backpage makes a large profit from those ads.

Mr. Montgomery asked Mrs. McDougall how Backpage screens the ads, and more specifically, ads that are seeking to traffic minors. Mrs. McDougall explained that Backpage has a triple tiered system that is unparalleled in the online service provider industry. The system begins with an automated filter that currently has over 39,000 words, terms, phrases, and code words to identify illegal activity. Those words include "teen" and "school girl", words that have been associated with potential exploitation of a minor and other crimes. When a word is flagged the ad is either automatically rejected or re-routed to a system of manual reviews. The manual reviews are used to determine whether there is something problematic with that ad.

Mrs. McDougall explained that the system has blocked over 350,000 e-mails that have previously been associated with illegal activity. The system also blocks IP addresses that have been previously associated with illegal activity. The system also includes two levels of manual review. Before any ad goes live in the adult or dating category Backpage has a trained team of moderators that review every single ad. They review the image and the text to determine whether there might be any illegal content or illegal contact.

Mr. Montgomery asked whether flagged ads are referred to law enforcement for investigation. Mrs. McDougall confirmed they are. Mr. Montgomery asked how many cases have been referred to a jurisdiction in Arizona. Mrs. McDougall explained that she did not have those figures and that those cases are usually directly referred to the Center for Missing and Exploited Children (Center). However, Backpage is working with law enforcement as well. Mr. Montgomery asked that Backpage report all cases involving a minor in Maricopa County to local law enforcement. He referred Mrs. McDougall to each the general phone number for each police department within Maricopa County for specific points of contact.

Mr. Montgomery asked Mrs. McDougall how much money Backpage has donated to assist with trafficking victims. Mrs. McDougall said that Backpage is a private company that their financials are private. She explained that Backpage donates ad space for Children of the Night throughout the website at a cost of approximately \$1-2 million annually. Mrs. McDougall stated those ads have been successful in increasing responses to their website, hotline, and rescues that have been facilitated. She went on to suggest that donating to anti-trafficking organizations can be problematic.

Mr. Montgomery referred to a statistic that stated online trafficking went down by 50% after Craigslist shut those ads down. Mrs. McDougall suggested research done by Harvard, MIT, and USC have more reliable information. Mr. Montgomery stated that any decrease would be better than providing a venue for girls to be trafficked. Mrs. McDougall responded by referring to research that indicated there was no decrease in the volume of child sex trafficking as a result of what Craigslist did.

Grant Woods thanked Mrs. McDougal for coming to the Task Force meeting. He expressed concern for Backpage's involvement in human trafficking and described the owners' background and connection to Arizona. He asked why Backpage is involved in adult services. Mrs. McDougall indicated that Backpage is willing to collaborate with the Task Force and Backpage believes shutting down the adult category because it would be counterproductive to fighting domestic minor sex trafficking.

Mrs. McDougall explained that shutting down cooperative domestic sites would drive the content underground and offshore and out of the jurisdiction of United States law enforcement. Mr. Woods asked whether Mrs. McDougall believes the volume of minor sexual exploitation that is going on in the United States is an abomination, to which Mrs. McDougall agreed. Mr. Woods asked whether it was true that Backpage believes they should stay in the business of adult services because they are more responsible than anyone else the business may go to. To which Mrs. McDougall denied and referred to research that was provided to the Task Force on the role of technology in facilitating human trafficking.

Mr. Woods asked whether other services from Backpage are profitable and whether it was possible for the business to remain profitable without being involved in adult services, which a good portion of those ads might be facilitating the exploitation of a minor. Mrs. McDougall responded by offering to participate in a dialogue about how the problem can be solved.

Mr. Woods asked whether it was possible for Mrs. McDougall to estimate how much money Backpage makes from the ads that ultimately revolve around the exploitation of minors. He asked that Backpage make the estimation of their profit in that area and to donate it all to charities or law enforcement agencies that are fighting human trafficking. Mrs. McDougall explained that it takes significant financial resources to do the automated and manual reviews Backpage has undertaken. Mr. Woods reiterated his request.

Mr. Woods asked whether Backpage would be willing to require verifiable identification (e.g. driver's license or government issued I.D.) of everyone who advertises on Backpage. Mrs. McDougall indicated she would be willing to participate in a working group to explore the pros and cons of that approach from a pragmatic, efficacy, and legal perspective. Mr. Woods asked for some examples of what the cons might be. Mrs. McDougall explained that the effect of implementing such a requirement would contradict the first amendment and drive the content offshore. She explained that when the content is offshore the children cannot be rescued.

Mr. Woods asked whether it would be possible to require identification of anyone depicted in an ad. Mrs. McDougall said she was not able to provide yes or no responses, but rather she explained that she would be happy to participate in a working group on the suggestions. Mr. Woods explained that the Task Force is required to report recommendations to the Governor and that it would be helpful to have Mrs. McDougall's input for those considerations.

Mr. Woods asked whether there was concern for any other reason other than diverting demand. Mrs. McDougall said her concern was for how to best protect children. She pointed out that three states that have tried to require identification but the laws have been struck down on first amendment grounds, with violations against the Commerce Clause and violations against the Communications Decency Act.

Mr. Woods asked whether Backpage would take Arizona to court if the state decided to implement a similar requirement for identification. Mrs. McDougall indicated uncertainty about Backpage bringing the suit, but suggested other entities like the Internet Archive would be involved because the implications are expansive and would affect all service providers.

Mr. Woods went on to ask Mrs. McDougall whether Backpage would be willing to not allow images of girls to be used in ads. Mrs. McDougall stated she would be willing to have that conversation. She explained that it is difficult to give yes or no answers to complex issues. Mr. Woods iterated his frustration with Backpage's involvement in adult service ads.

Mr. Woods asked if Backpage would consider requiring a license for particular adult service activity. He mentioned massage parlors and escort services as examples of related activities that require licensure. Mrs. McDougall said she would be willing to have that conversation. She went on to reference Professor Charles Katz's presentation from the last meeting and the number of licensed massage parlors who offered sexual services. Mr. Woods asked why she wouldn't want to ask for an individual's license when they are posting an ad for services that would require a license. Mrs. McDougall responded by explaining that licensing requirements vary from jurisdiction to jurisdiction and that it would be difficult to enforce on the internet. She said that the United States Supreme Court has determined that it is impossible to enforce laws on the internet and that Congress has determined it is impossible to do with respect to section 230 of the Communications Decency Act.

Mrs. McCain asked Mrs. McDougall if she truly believes Backpage is doing the right thing by continuing to allow adult service ads on their website. Mrs. McDougall indicated she believes Backpage is providing more benefit than detriment. She explained the nature of the internet in facilitating crime.

Mrs. McCain asked Mrs. McDougall about the in-kind contributions of Backpage and whether she knew how much the company donates to NGOs. She said that NGOs must publicly report their contributions and suggested there must be a way to determine how much Backpage donates that way. Mrs. McDougall responded by referring Mrs. McCain to that research.

Mrs. McCain asked Mrs. McDougall about the relationship between first amendment rights and traffickers on online sites. Mrs. McDougall said that states have created laws that criminalize individuals who post ads that include sex with a minor and not the websites themselves. Mrs. McDougall suggested that was not a first amendment issue. Mrs. McCain clarified by asking whether Mrs. McDougall believes it is okay for Backpage to post those ads. Mrs. McDougall indicated that posting such an ad would violate Backpage's terms of use. She explained that Backpage attempts to block ads that contain illegal content. Mrs. McCain continued to question why Backpage posts ads without ensuring there is no illegal content. Mrs. McDougall explained that Backpage attempts to use automatic and manual filters to identify illegal activity. Mrs. McDougall said that Backpage and others in the technology industry must work collaboratively within itself and with others like the Task Force to fight trafficking.

Mrs. McCain asked whether the technology industry has a self-regulating ethics oversight committee. Mrs. McDougall said there was not yet; she explained that the industry is very scattered and the industry is just beginning to work together on technology issues. Mrs. McCain suggested Backpage should help facilitate such an ethics oversight entity.

Mrs. McCain stated that the Center does not receive information from Backpage. She wondered if and how Backpage reports to the Center. Mrs. McDougall explained that she had recently been in communication with the Center and suggested there may be a miscommunication about how that process works. She said that Backpage sends 400-700 reports to the Center each month.

Sheila Polk thanked Mrs. McDougall for being at the meeting. Mrs. Polk asked Mrs. McDougall whether she acknowledges that Backpage's services are being exploited and asked what Backpage can do to be a part of the solution. Mrs. Polk asked for additional information on why Backpage is unable to require identification for the advertisers. She pointed out that Backpage could require identification as a private business. Mrs. McDougall responded asserting that Backpage has implemented numerous recommendations from task forces from other states. She said that recommendations that have been discussed at the meeting run contrary to current research.

Mrs. Polk affirmed that policy should be set as a result of evidence-based practice. She asked whether Mrs. McDougall disagreed with Mr. Montgomery's statement that when Craigslist shut down adult advertising the number of traffickers dropped. Mrs. McDougall said she disagreed with his statement and explained that the numbers may have dropped incrementally for a short period of time. However, she said those ads migrated to other categories on Craigslist and to other service providers within a matter of hours.

Mrs. Polk again asked Mrs. McDougall whether Backpage would be willing to require identification for advertisers. Mrs. Polk pointed out that Backpage brings first amendment lawsuits against states that enact laws requiring identification. Mrs. McDougall said they are a part of those lawsuits and that if they were not involved, someone else would bring the suits forward. She explained that such requirements would divert traffickers to other sites like MyRedBook.com or sites offshore.

Mrs. Polk asked whether Mrs. McDougall agreed that if one makes something inaccessible you can affect demand. Mrs. McDougall agreed and iterated her suggestion to have a dialogue on how to effectively do that. Mrs. Polk asked Mrs. McDougall to engage in that discussion now. Mrs. McDougall explained that Backpage currently uses barriers and hurdles against traffickers and pimps that help law enforcement and prosecutors. However, she noted that with too many barriers there is the potential to drive that demand offshore.

Mrs. Polk requested that Mrs. McDougall work with Arizona on how to fight trafficking on online classified websites. Mrs. McDougall said she would be willing to participate in that discussion as long as the group considers research and has the appropriate people at the table, including law enforcement. Mrs. Polk asked that Mrs. McDougall come to that conversation willing to work with Arizona on solutions, rather than only providing reasons for why Backpage cannot implement reforms. Mrs. McDougall agreed.

Mrs. Polk asked if Backpage would be willing to contribute to a public awareness campaign in Arizona to prepare for the Super Bowl in 2015. Mrs. McDougall indicated she has already been in contact with Lt. Gallagher on the issue and is willing to continue those conversations, along with sharing training programs with local law enforcement. Mrs. Polk asked Mrs. McDougall again whether Backpage would be willing to contribute to Arizona's public awareness campaign. Mrs. McDougall asked for more information on the proposal including how the campaign would work and where the information would be targeted. Mrs. Polk made an official request for Backpage to consider a financial contribution to a public awareness campaign in Arizona.

Andrew Pacheco thanked Mrs. McDougall for being at the meeting. He asked Mrs. McDougall to provide an overview of the billing process for different section of their online classifieds. Mrs. McDougall explained that billing is dependent on functionality and not by section. They charge fees in different sections for automatic reposting and upgrades of ads. She explained that there are a variety of monetization structures that are used on the site. However, she highlighted that the exception was for dating ads. Dating ads require a one dollar charge. The dating charge requirement has been in place for at least one year and a half.

Mr. Pacheco shared that he read in an amicus brief that the charges for dating ads were greater than those of other categories. He asked Mrs. McDougall whether that was accurate. Mrs. McDougall said that most likely was, although she mentioned there may be instances where that might not be true.

Mr. Pacheco went on to note that previous reports indicate that adult advertising ads only comprise two percent of all the ads on Backpage. Mrs. McDougall confirmed that was accurate of the number of ads. Mr. Pacheco asked whether the site profits more from an adult ad than an ad selling something else like used books. Mrs. McDougall said she was not familiar with the company's financials, but she assumed the profits are not split up that way. She explained that the automated filters, manual review moderation staff, training, and law enforcement subpoena compliance all relate to the adult section. She said one would have to calculate all of those costs into the equation in order to answer the question.

Mr. Pacheco shared several examples of ads that were currently on Backpage that advertised prostitution. He asked whether those ads should have been blocked. Mrs. McDougall reaffirmed Backpage's automated and manual filter processes but highlighted what she described as gray areas which are more difficult to screen. She said it would be difficult to know whether an ad should have been blocked without seeing it. She also highlighted the company's posting policies and their prohibition against nudity.

Mr. Pacheco asked whether it would be possible to see Backpage's screening policies. Mrs. McDougall explained that the manual reviews are based on experience and in a one-on-one setting. Staff are taught to distinguish what might constitute an act of trafficking, particularly involving a minor. She continued by explaining the training process.

Mr. Pacheco suggested companies should have written policies and procedures for the purposes of assessment and performance of their own employees. He requested that Mrs. McDougall ask the company's management whether those could be shared.



Mr. Pacheco expressed concern that the ads were not flagged and that the ads were not reported to law enforcement. Mrs. McDougall explained that the manual reviews rely on human judgment and that Backpage has received feedback from other states that they are involved in a good level of reporting.

Director Halliday asked Mrs. McDougall if Backpage has worked with other states and had successful prosecutions. Mrs. McDougall indicated that Backpage has had many successful prosecutions in other states. After being asked by Director Halliday, Mrs. McDougall said Backpage has not been involved in any prosecutions in Arizona. In fact, they have only received four subpoenas this year and one of those was from the Phoenix Police Department. She said she has been working with Lt. Gallagher to offer training on how technology is being used.

Director Halliday expressed interest in driving the numbers of prosecutions up in Arizona. He asked for the agencies who have been involved so he can collaborate with them on how to move ahead in Arizona. He said he was willing to participate on any task forces or working groups to address the issue.

Lea Benson shared that girls on her campus are posting ads of themselves with credit cards and that the filters are not working. Mrs. Benson asked what mechanisms Backpage uses to prevent those ads from being posted. Mrs. McDougall said that Backpage works with Children of the Night on trying to address that problem. She explained that they have worked with Children of the Night to understand where and how victims are posting ads and to incorporate that information into techniques to block and filter those ads. She said Backpage does the best they can to identify potential minors in ads and to prevent those ads from being posted. Mrs. McDougall explained that Backpage also works with law enforcement to provide them the information they need as quickly as possible.

Mrs. Benson asked Mrs. McDougall whether Backpage works with any other organizations besides Children of the Night. Mrs. McDougall explained that Children of the Night has been the only organization that has allowed Backpage access to their children. She indicated an interest in learning more from other organizations.

Mrs. Benson also asked if the owners of Backpage have met with trafficking victims before to try and understand the problem. Mrs. McDougall said they have. Mrs. Benson expressed concern for the moral decision to stay in adult service ads. Mrs. McDougall suggested that policy should not be constructed based on morals or ethics, but rather facts and research. She also stated that there is not an organized internet association on morals and ethics on this issue to her knowledge. Mrs. McDougall said Backpage has no legal obligation to monitor their own site or to research the issue, but they choose to do it because it is the right thing to do.

Mr. Woods made several points. First, he suggested that policy should be made based on morals and ethics. Secondly, he stated that it is obvious the company is making a lot of money off of ads for prostitution. Mr. Woods pointed to the ad Mr. Pacheco described and iterated that the ad was for prostitution and maybe even an ad for prostitution involving a minor. Thirdly, Mr. Woods asked that Mrs. McDougall get back to Lt. Gallagher within the next week on whether or not Backpage is willing to financially contribute to a public awareness campaign in Arizona. Finally, Mr. Woods asked, on behalf of himself, that Backpage get out of the business of adult services ads.

He said that if Backpage chooses to stay in the business, that they should donate all of the money they make off of those activities and donate it to the Center.

Mr. Montgomery pointed to page 36 of the human trafficking online study, which references Backpage's policy that prohibits any solicitation directly or in encoded fashion, for any illegal services including trading sexual favors for money. He referred Mrs. McDougall to Professor Katz's presentation from the last Task Force meeting. He read a headline of a Backpage ad that referred to the prototype of human trafficking Professor Katz shared is going on in Mesa and that is going on in massage parlors all over Arizona.

Mrs. McDougall explained that she hoped to achieve collaboration with the Task Force. She said she believes in-fighting among anti-trafficking organizations is counterproductive. Mrs. McDougall said Backpage will continue to work with states that wish to collaborate.

Mrs. McCain thanked Mrs. McDougall for being at the meeting. Mrs. McCain indicated that she is heading-up the community service campaign for the Super Bowl and that she would be more than happy to take any financial contributions Backpage might have. Mrs. McCain also thanked all of the members for their thoughtful questions and their commitment to making Arizona a fly over state for human trafficking.

## **5. Short Break**

Mr. Orrantia recessed the Task Force meeting for a break from 10:56 to 11:12 a.m.

## **6. Presentation from the Arizona Board of Fingerprinting**

Mr. Orrantia introduced Dennis Seavers, the Executive Director of the Arizona Board of Fingerprinting. Mr. Seavers provided the Task Force with an overview of the process and requirements for fingerprinting and fingerprint clearance cards (FCC) in Arizona. First, Mr. Seavers explained the differences between regular fingerprinting and FCC. With regular fingerprinting, an agency receives a criminal history record and decides how to handle the results. Regular fingerprinting is a one-time check that can be repeated. The Arizona Department of Public Safety (DPS) determines whether an FCC is approved or denied. FCCs are valid for a period of six years.

Mr. Seavers explained that there are two types of offenses that preclude an individual from receiving an FCC. A.R.S. §41-1758.03 dictates which offenses preclude individuals from receiving a general FCC, and A.R.S. §41-1758.07 dictates which offenses preclude individuals from receiving a level I FCC.

Mr. Seavers explained that subsection B offenses absolutely preclude individuals from ever having an FCC. The offenses include especially serious crimes like rape, sexual exploitation of a minor, and sex trafficking. Mr. Seavers explained that subsection C offenses range from very serious to relatively minor crimes; prostitution is a subsection C offense. In order for an individual with a subsection C offense to receive an FCC they would have to receive a good cause exemption from the Board of Fingerprinting.

Mr. Seavers said that good cause exceptions are opportunities for applicants to prove that they have been rehabilitated and are not a recidivist. He differentiated the process from an appeal and explained that the Board must consider the following:

- The extent of the person's criminal record
- The length of time that has elapsed since the offense was committed
- The nature of the offense
- Any applicable mitigating circumstances
- The degree to which the person participated in the offense
- The extent of the person's rehabilitation, including:
  - o Completion of probation, parole or community supervision
  - o Whether the person paid restitution or other compensation for the offense
  - o Evidence of positive action to change criminal behavior, such as completion of a drug treatment program or counseling
  - o Personal references attesting to the person's rehabilitation
- The Board may also consider substantiated allegations of child or vulnerable-adult abuse or neglect

Mr. Seavers shared that the Board's approval rate in FY2012 was about 86%. He said the Board considers each case individually.

Mr. Orrantia thanked Mr. Seavers for presenting to the Task Force. He asked Mr. Seavers what the background check entails. Mr. Seavers explained that the background check includes a DPS and FBI criminal records check and a sex offender check.

Mrs. Benson asked about the timeline for a good cause exemption. Mr. Seavers said the process took about 30 days this past fiscal year. He stated that most of the cases take less time, but the Board is statutorily required to complete the process within a certain amount of days. Mrs. Benson explained that girls don't always only have difficulty with the prostitution offenses, but others as well.

Mrs. Polk asked about other prior offenses, aside from prostitution, that might preclude them from a good cause exemption. Mrs. Benson suggested that victims often have to pay off large fines for other previous offenses. Mr. Seavers explained that the only exception would be for a felony drug or alcohol related offense, which they would have to wait five years before applying for an FCC. He went on to say that they would only be able to apply for a lower level card until the five years is up. Higher level FCCs are required for employment or contracts with the Arizona Department of Economic Security.

Mr. Seavers explained that there is also a conviction set-aside and clemency process; however, most agencies still treat those offenses as a conviction. He said that generally the state's policy is to provide individuals with an opportunity to make a case that they have been rehabilitated.

Bill Ridenour asked Mr. Seavers whether the Board has any staff that is able to help individuals navigate through the fingerprinting process. Mr. Seavers said all of his staff are able to help individuals through the process. However, he mentioned the onus is statutorily on the applicant to prove they are rehabilitated.

Mr. Orrantia thanked Mr. Seavers for his presentation.

## 7. Discussion

Mr. Orrantia asked members to review the “potential recommendations” document. He asked the members whether the document reflected the concepts that have discussed accurately, whether any members had any changes to the recommendations noted in the document, and if members had any additional recommendations they would like to bring forward.

Mrs. Polk apologized for not being able to attend the final Task Force meeting. She indicated that she believes the most important recommendation is for there to be a continuing commission or task force. She said this Task Force has laid a great ground work for continued work on this issue; the work is just beginning. Mrs. Polk suggested a strategic plan with a timeline should be developed. Members of the new commission should participate on various working groups on different aspects of the issue (e.g. victim advocacy, legislative recommendations, law enforcement training, public awareness, and online classified websites).

Mr. Orrantia asked whether the fifth bullet point on page one of the potential recommendations document captured her recommendation. Mrs. Polk indicated it did. Mr. Montgomery seconded her recommendation and suggested that child protective services be added to the list of areas that are further addressed. Mr. Orrantia agreed.

Mr. Montgomery recommended adding “sex trafficking” to A.R.S. § 13-2301, which would remove any ambiguities with respect to asset forfeiture for offenses involving sex trafficking. He also suggested that the fourth bullet on page two under “Administrative Practice” should also include representation from the county attorneys and adult and juvenile probation to help with implementation.

Mrs. Benson asked whether the first bullet on the second page under “Administrative Practice” could include consideration for licensing requirement issues. She expressed concern with current requirements and an urgency in being able to serve victims. Mr. Orrantia suggested that issue could be considered by an ongoing task force, as Mrs. Polk suggested. There was no dissention.

Brian Steele spoke about the costs on the backside to the taxpayers and the community. He said the Dream Center alone spent over \$875,000 last year to serve 56 women. He said that 60% of those women had been trafficked on Backpage. Mr. Steele suggested that calculating the costs of helping victims might be helpful in conversations with organizations that help facilitate trafficking.

Mr. Orrantia asked members whether they had any objections to recommendations that were cited in the document. He agreed with the recommendation for an ongoing task force and highlighted the need for training on all levels. He suggested training for first responders, medical, fire service, teachers, and other professionals. Mr. Orrantia also suggested training for trainers.

Lt. Gallagher agreed with Mr. Orrantia on the importance of training. He also affirmed Mr. Ridenour’s recommendation to identify public/private partnership opportunities. Lt. Gallagher highlighted the importance of the community’s support and involvement in addressing the issue. He went on to say that DPS and the Phoenix Police Department have a good framework in place for training. He said they are developing a training module.

Treasurer Ducey said as State Treasurer he is interested in the dollars spent and the outcomes received by the State in essential services. He suggested that Backpage can be a part of the solution and that it would be helpful to know the total number of transactions from their website. Treasurer Ducey highlighted the need for Backpage to work with local, county and state law enforcement to address trafficking and sexual servitude. He also said it might be helpful to measure transactions during the week of the Super Bowl.

Larrie Fraley suggested the Task Force should consider following-up with Backpage in an ongoing task force or entity.

Mr. Ridenour asked about how the Task Force should proceed into the final recommendations. Mr. Orrantia explained that the Task Force has the flexibility to put forward whichever recommendations members would like. The document reflects recommendations that were discussed to date and information that has been pulled from previous meeting minutes. Mrs. McCain agreed; she suggested that the Task Force should provide the Governor with the most information possible and provide her with an opportunity to decide how to move forward.

Representative Coleman agreed; he suggested the Governor should have discretion in setting the priorities.

Senator Driggs posed the question of how general or specific the recommendations should be in considering the next steps. Mr. Orrantia said the recommendations are more general but point in a certain direction. He reiterated the complexity of a lot of the issues the Task Force have considered and said that a lot of the items will need to be followed-up on by an ongoing task force.

Director Halliday concurred and acknowledged that this is just the beginning. Director Halliday asked that any working group continue to develop recommendations.

Mrs. Polk said she agreed with all of the recommendations in the document and noted that the items that begin with “consider” are issues that should be explored further. Mrs. Polk also suggested that the last recommendation about law enforcement training should be expanded to include all criminal justice professionals, including the prosecuting community. Mr. Orrantia concurred.

Mr. Montgomery suggested that judges should also be included in training.

Mr. Steele said he agreed with all the recommendations. He also suggested the Task Force consider approaching each industry separately. He referenced Professor Katz’s comments at the last Task Force meeting about addressing each industry’s unique needs and circumstances.

Representative Coleman asked whether there is any harm in creating a separate section of statute for human trafficking. Mrs. Polk suggested that might be a good topic for an ongoing task force to consider.

Mr. Orrantia asked whether there was consensus on the recommendations. There was no dissention.

## **8. Call to the Public**

Mrs. McCain introduced Eliza Reock from Shared Hope International. Ms. Reock referenced written remarks and information that was submitted to the Task Force. She said that Shared Hope International is hesitant to work with organizations that are participating in illegal activity. She shared an estimate from AIM Group that Backpage made over \$45 million in revenue as of June 2013. She explained that numerous experts back-up the AIM Group's research. Additionally, she shared that about 53% of exploited children, who are served by the nation's top 12 service providers, were trafficked through Backpage. She requested that the Task Force consider agreeing with the 48 states' attorneys general that have put suggestions forward for changes to state laws.

Nancy Baldwin from the Hickey Family Foundation thanked the Chairs for their leadership on the Task Force. She thanked Mrs. Polk for her comment that the recommendations should not end up on a shelf. Ms. Baldwin also thanked Mr. Woods for his remarks that highlight the fact that the victims are often middle school and high school kids. She said that over 70% of trafficking minors have been involved in the child welfare system. She also stated that cities and the state are not doing enough to dress the problem.

Rozlind Saumalu, representing herself, shared a brief overview of her background and work experience. She expressed concern for the amount of services available to victims. She said that victims need community support, medical and behavioral health services. Ms. Saumalu highlighted the difficulty victims encounter in trying to recover and develop basic life skills.

Laverne Thorpe from A Well Founded Hope explained that many agencies and NGOs want to help address human trafficking. She recommended that the Task Force consider establishing a human trafficking coordinating council that could serve as a clearinghouse on human trafficking information, activities, and needs in Arizona. She explained that the council could collect information from NGOs working on trafficking issues and provide resources to persons wanting to connect with agencies that would like to assist. The information could be put on an interactive web site where those seeking information could find it.

Mrs. McCain said that H. Maynard Blumer completed a "request to speak" form but was not requesting to speak. She explained that he gave members a suggested "Child Protection Law" at the last meeting and he was available if members had any questions.

## **9. Closing Statements/Announce Next Meeting**

Mr. Orrantia thanked everyone for attending and participating in the meeting. He announced that the last Task Force meeting would be held on September 25<sup>th</sup> in an alternative location that is yet to be determined. He indicated the location would be announced once it is finalized.

## **10. Adjournment**

Mr. Orrantia adjourned the meeting at 12:19 a.m.